

[8th August, 2000]

RAJYA SABHA

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND THE MINISTER OF STATE OF THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY): (a) A resolution was adopted at the Conference of Chief Justices held on December 3 and 4, 1999 for increasing the age of retirement of High Court Judges from 62 to 65 years.

(b) It is not possible to indicate any time frame for a decision.

### **Non-Approval of Nidhi Companies**

1809. SHRI S. AGNIRAJ: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that for more than four years no fresh approval of Nidhi Companies have been given by Government;

(b) if so, the reasons therefor;

(c) what are the total number of applications pending with the Department; and

(d) what steps are being taken to clear these applications?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY): (a) to (d) The Government has not approved any company as a Nidhi from 1997. The potential nidhi companies before declaration as a Nidhi are classified as a Loan company by the Reserve Bank of India. Being a class of Non-Banking Financial Companies, these companies are required to comply with the directions of Reserve Bank of India as applicable to such companies and also the directions of this Department. Most of these companies failed to comply with the directions of Reserve Bank of India. The Government decided to review the guidelines for nidhis in consultation with the Reserve Bank of India. A list of applicant companies was furnished to Reserve Bank of India. Reserve Bank India has started inspection of all these companies to find out their eligibility for nidhi status. Comprehensive guidelines were issued on 1.11.1999. Meanwhile, some of the nidhi companies failed to repay the deposits and there were several complaints from the depositors. The Government have appointed Directors in two such companies. Subsequently, a Committee was constituted under the

Chairmanship of Shri P. Sabanayagam to evaluate the present mechanisms for monitoring the activities of nidhi companies and to suggest improved mechanisms to sustain and strengthen the nidhi companies. As on 31.7.2000 about 93 applications were pending with the Department at various stages. Additional information/documents were called for wherever necessary from the applicant companies. On receipt of report from the Committee these applications will be processed in the light of the suggested yardsticks for approval to facilitate healthy growth of nidhi companies.

### **Operation of Vacancy Based Roster**

1810. SHRI GANDHI AZAD: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the Supreme Court in case of R.K. Sabharwal Vs. State of Punjab has held that the 'Vacancy Based Rosters' can operate only till such time the representation of persons belonging to the reserved categories reached the prescribed percentage of reservation; and

(b) if so, the services under the Ministry of Law, Justice and Company Affairs and all other Organizations under its control where the representation of persons belonging to the SC/ST categories has reached the prescribed percentage of reservation and because of which 'Post Based Rosters' have been introduced in place of "Vacancy Based Roters"?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY): (a) The Supreme Court in R.K. Sabharwal's case (AIR 1995 SC 1371 at page 1375), has held that the operation of the roster and the running account is to be permitted till the prescribed percentage of reservation is reached and the vacancies arising thereafter in the cadre are to be filled from amongst the category of persons to whom the vacancy belong.

(b) The Post-based roster was introduced to implement the Supreme Court's decision in R.K. Sabharwal's case. In the course of implementation of the post-based roster, some shortages and excesses have been found due to the operation of the previous roster and these are being adjusted against future appointments in the new 200 point roster in accordance with Department of Personnel and Training's guidelines.